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Received & Inspected

JAN 30 2012

FCC Mail Room

Chairman Julius Genachowski
Federal Communications Commission
445 12th Street, SW
Washington DC, 20554

Re: **WC Docket No. 11-42- Lifeline and Link Up Reform and Modernization**
CC Docket No. 96-45 –Federal-State Joint Board on Universal Service
WC Docket No. 03-109 – Lifeline and Link Up

Dear Chairman Genachowski,

I have, literally, just been made aware of the FCC's initiative to reform and modernize the Lifeline and Link Up programs—by virtue of reviewing a proposed draft of a letter to the FCC from "Governors". I was stunned on two accounts. First, that I was unaware of the FCC's initiative since I have been "meaning to write" the FCC on Lifeline issues—and—secondly, that the issue that concerns me seems to be nowhere mentioned as an aspect of the Lifeline program that needs to be reviewed and considered for reform. That issue is this—Lifeline is often promoted, whether in the chairman's remarks or in an ETC's advertisements as a way for a participant to have access to 911. Yet, in many states whether Lifeline participation is robust, growing or newly initiated, the Lifeline cell phone contributes nothing to support the states 911 system.

State 911 systems are paid for, generally, from 'fees' collected at both the local and state level on both wireline and wireless devices which do not produce sufficient revenues to pay for everything. In Kentucky, local governments make up the difference and its substantial—more than the revenues raised from 911 fees. In fact, the smallest contributor of the three sources is wireless* and within wireless, prepaid phones do not contribute at the same level as postpaid phones. (In some states prepaid wireless contributes nothing to support 911).

This, in the face of a 911 world where a majority of 911 calls now come from cell phones. (In Kentucky roughly 75% of 911 calls come from cell phones, while only 25% of the revenues come from cell phone fees.) This, also at a time when 911 services are faced with staggering increases in call volume and aging technology and the lack of resources to address those

*Postpaid cell phones pay 70¢ per phone per month prepaid cell phones pay under options provided in KRS 65.7635(1) but it translates to 39¢ per phone per month.

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concerns, and this, with the looming prospect of migrating to Next Generation 911 and the challenges it entails.

The Lifeline program in Kentucky, if it reaches the level of participation projected in filings with our Public Service Commission by a carrier seeking ETC status would increase by perhaps 25% the number of prepaid wireless devices in our state. (We are a relatively poor state, so the projection is probably low). That has a tremendous impact on our 911 system—but brings in little or no resources to defray the impact's cost, since, in Kentucky prepaid remittances are calculated based on the revenue from sales of prepaid services.

Similarly, other states get little or no support for Lifeline phones. In the states where prepaid still contributes nothing in fees prepaid lifeline cell phones would likewise contribute nothing. In a number of states that are now collecting prepaid wireless 911 fees by "Retail Point of Sale" legislation, the Lifeline phones may make few, if any, retail purchases of additional minutes, and so that collection method offers nothing in the way of support from Lifeline phones commensurate with their impact.

Each cell phone capable of initiating a 911 call should contribute to the support of the 911 system and the contribution should be at the same level regardless of whether the phone is using prepaid minutes, postpaid minutes, free or promotional minutes.

As you reform the Lifeline program—please add this reform. Treat the Lifeline phone as being a "billed" phone—that is, require the carrier when they receive their federal reimbursement for their Lifeline phones, to remit to the respective state that state's 911 fee (the fee associated with billed/postpaid devices) or, in house, deduct the state's 911 fee and forward that amount to the state, before sending the carrier its reimbursement.

To use 911 as a "selling point" for Lifeline is appropriate but only if there is support for 911 service as part of the Lifeline program.

Thank you for your consideration

Sincerely,



Joe Barrows
Executive Director